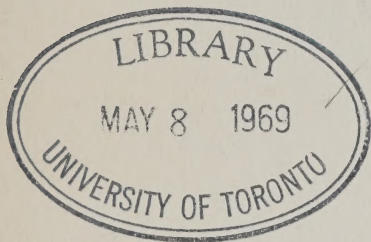


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# 3 ROADS TO PROFIT

IN ONTARIO, CANADA

*Economics + development dept  
Trade + industry branch  
[General publications]*

**JOINT VENTURES • JOINT VENTURES  
MANUFACTURING ARRANGEMENTS  
BRANCH PLANTS • BRANCH PLANTS**



Published by the Trade and Industry Branch,  
Ontario Department of Economics and Development  
950 Yonge Street, Toronto 5, Ontario



## ONTARIO ON THE MOVE

*Enjoying a phenomenal growth rate, the Province of Ontario—Canada's geographic and manufacturing heartland—offers unique opportunities for industrial development.*

*Embracing some 400,000 square miles from Hudson Bay in the north to the Great Lakes and the six neighboring states of Michigan, Minnesota, Pennsylvania, Ohio, New York, and Wisconsin in the south, Ontario is almost as large as West Germany, Italy, and France combined. By all accepted standards, Ontario is one of the fastest-developing industrial regions of the world.*

*Containing all the elements required by a modern, diversified industrial economy, Ontario has valuable raw materials, an abundant water supply, low-cost power, highly skilled labor, progressive educational facilities, an extensive network of toll-free highways, and excellent air, road, rail, and seaway transportation.*

*Huge capital spending programs, coupled with rising consumer demands and exports, have set new annual records in practically all segments of Ontario's economy during the past decade.*

*The population—up 61 per cent to nearly 7,000,000 since 1946—is expected to reach 11,000,000 by 1980. One third of all Canadians live in Ontario, and its people are among the world's best educated and most affluent. Ontario's industries turn out more than half the goods manufactured in Canada.*

*In one recent year, for instance, Ontario gained 178 new manufacturing establishments. These provided more than 17,500 people with employment and increased plant capacity by more than 8,290,000 square feet. These companies purchased 2,300 acres of land, invested \$68,500,000 in buildings and \$134,000,000 in machinery and equipment.*

*Expansion by 494 Ontario manufacturers that same year created 26,000 new jobs, added 12,000,000 square feet of manufacturing space, and resulted in expenditure of over \$550,000,000 for buildings and equipment.*

HON. STANLEY J. RANDALL  
MINISTER.





## THREE PROFIT OPPORTUNITIES

Industry interested in locating or expanding in the province can take advantage of services provided by the Trade and Industry Branch of Ontario's Department of Economics and Development. These services are conducted on a personal, confidential basis at no cost to the businessman.

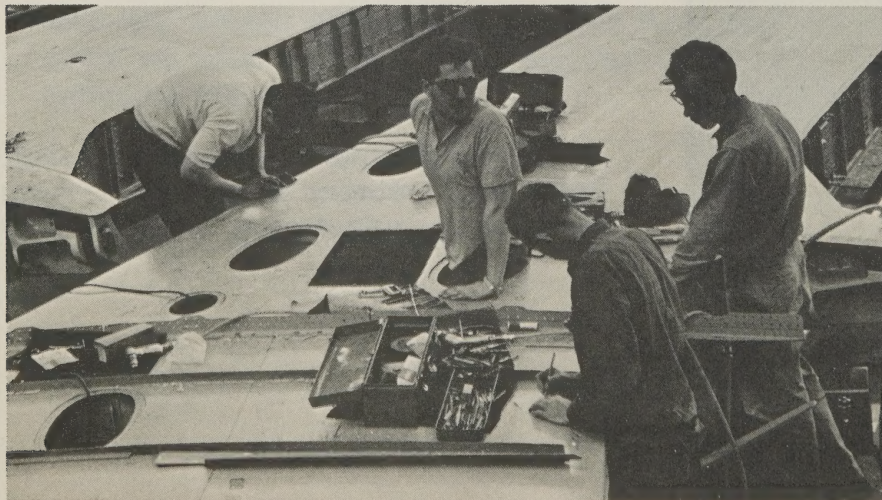
Three distinct alternatives may be considered by a company wishing to have its products manufactured in Ontario:

**Establishing a new plant**

**Establishing a joint venture with an Ontario firm**

**Establishing a manufacturing agreement with an Ontario company on a licensing or royalty basis**

Since 1963, more than 600 companies have taken these roads to profit in Ontario.



# BRANCH PLANTS • BRANCH PLANTS • BRANCH PLANTS



... more and more companies are using the services of the Trade and Industry Branch in arriving at a decision to establish manufacturing facilities in Ontario.



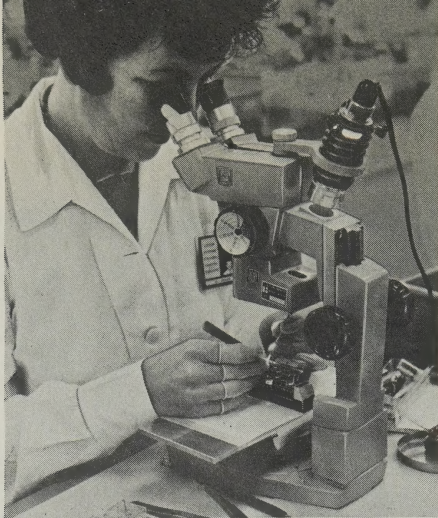


Companies interested in establishing new plants in Ontario are provided with vital statistical information and economic reports through Trade and Industry Branch offices in New York, Chicago, London, Dusseldorf, and Milan — backed up by services from the head office in Toronto.

Even if expansion is contemplated years in the future, information about Ontario can be collected now. Facts concerning taxation, customs, incorporation, markets, raw materials, energy sources, labor needs and availability, transportation services and other specific factors are provided on a regular basis.

Successful relations between companies and the branch are based on a free, mutual exchange of confidential information.





## To Answer Your Questions...

The Trade and Industry Branch will supply information on the following:

**Markets** — size, extent, location of the Ontario market, the Canadian market, export markets

**Municipal statistics** — population, labor force, existing industry

**Labor** — availability, training, wage rates, legislation

**Energy** — electricity, gas, water, oil, coal

**Transportation facilities** — rail, truck, ship, air

**Availability of raw materials**

**Plant sites and available buildings**

**Tax structures** — municipal, provincial, federal

**Customs and excise legislation** — import tariffs, effect of Canadian customs and taxes on finished goods and component parts

**Methods of doing business in Canada** — incorporation, business law

**Sources of financial assistance** — Canadian banks, Ontario Development Corporation, Federal Industrial Development Bank and Area Development Agency, investment corporations and agencies.

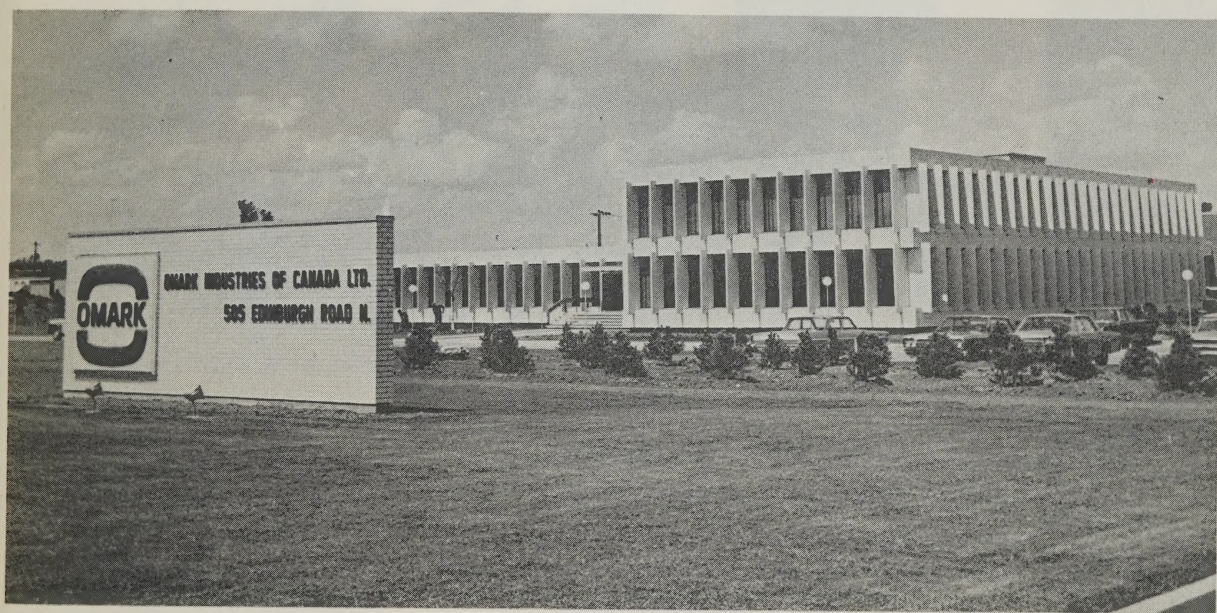


## The Trade and Industry Branch will need to know:

**Company products** — their nature, possible Canadian content, subcontracting arrangements, location and extent of market for finished product, shipping weights and volume

**Company special requirements** — local service industries essential to operational needs

**Company plans for Canada** — to buy, rent, build, leaseback, or buy an existing company; size of property and building needed; size of staff planned, male and female distribution, particular skills



## Assistance From the Trade and Industry Branch

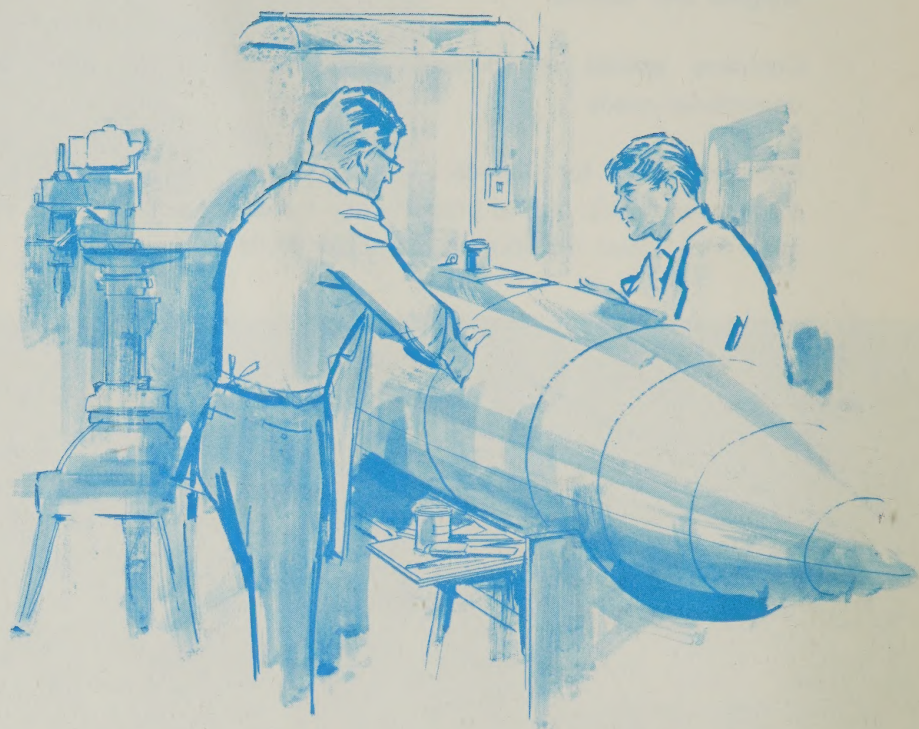
The staff of the Trade and Industry Branch has been specially selected and trained for advisory services.

Company representatives will be personally escorted to prospective municipalities by highly-qualified industrial consultants.

The branch works in close co-operation with Ontario's regional development councils, municipal industrial commissioners, chambers of commerce, boards of trade, railways, utilities, banks, federal government authorities, and municipal officials.



# JOINT VENTURES • JOINT VENTURES



... an increasing number of companies are discovering, through the confidential services of the Trade and Industry Branch, the special opportunities to be found in joint manufacturing ventures with Ontario firms or investors.

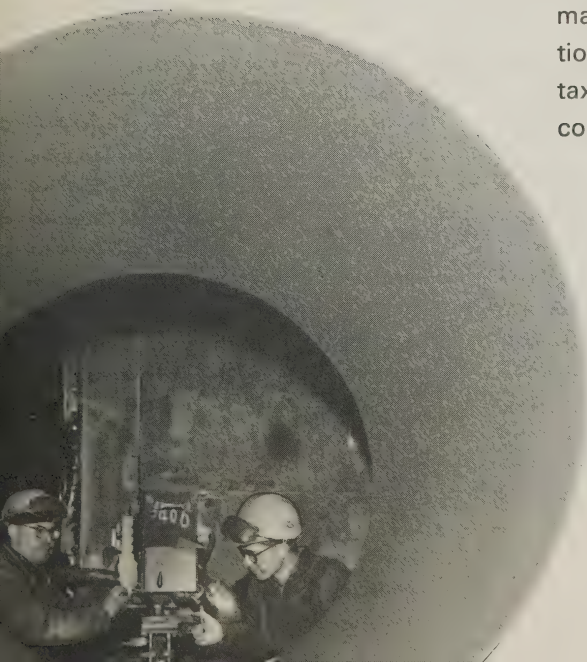


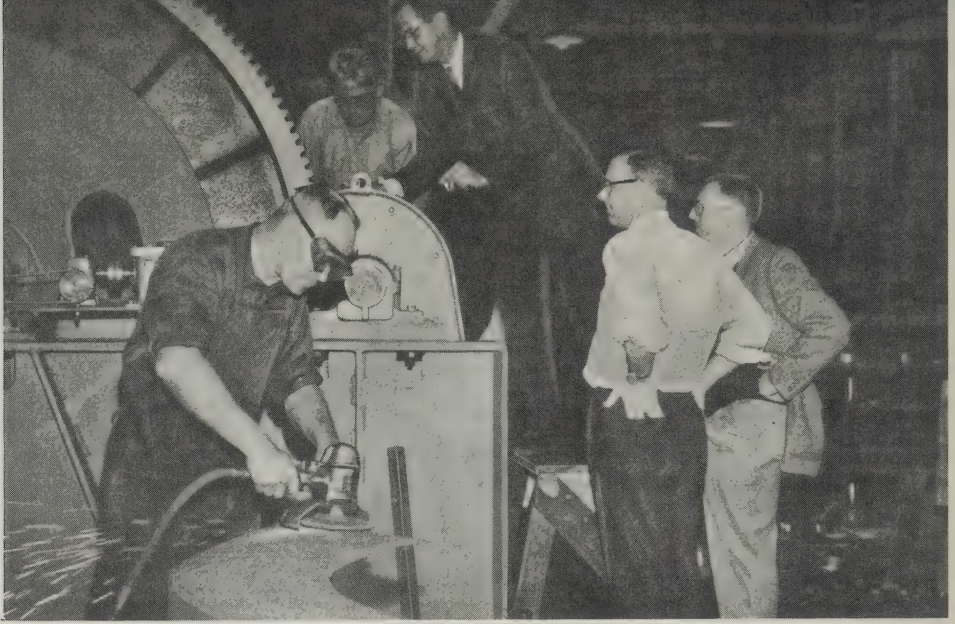
There are several ways to organize a joint venture. The usual way is for an Ontario manufacturer to join with another company to form a new entity on a joint equity basis. Generally, the Ontario company provides the plant, organization, manufacturing and sales facilities, while the other company provides the product, technical know-how, and sometimes special machinery.

## Advantages of a Joint Venture

There are specific reasons why a joint venture may be the most practical form of organization for a new manufacturing facility. Generally, the capital requirements are much less than for a branch plant. A company can also retain some control over the identity and future of its products in Canada. This is particularly desirable in cases where no patent protection is held on the product or process.

Through the Ontario partner, the joint venture may start off with an established organization familiar with Canadian manufacturing and marketing conditions. There are certain advantages on tax dividends where part of the company is Canadian owned.





## Assistance From the Trade and Industry Branch

The Trade and Industry Branch maintains files on over 2,000 Ontario manufacturers interested in obtaining new products to expand their operations. In many cases these firms could move into production as an extension to their present work, using the same manufacturing facilities.

As part of its service, the branch distributes to interested Ontario companies a bulletin, **Joint Venture Opportunities for Ontario Companies**. The bulletin outlines opportunities for association with other companies on a joint equity basis. Those interested in specific opportunities are brought together.

Experienced industrial consultants will assist representatives visiting Ontario, with feasibility studies on plant location, transportation, energy sources, and other relevant information. Representatives are personally escorted and introduced to officials of suitable companies interested in exploring the possibility of a joint venture arrangement.



# MANUFACTURING ARRANGEMENTS



... more and more companies, representing a wide range of skills and manufacturing capacities, are seeking additional products for diversification through the services of the Trade and Industry Branch.

The Trade and Industry Branch assists manufacturers to enter into production arrangements with Ontario companies on a royalty, license, contract, or partnership basis. Highly successful, profitable ventures have been launched in this way.

## Advantages of a Manufacturing Arrangement

**Lower costs** — By manufacturing products in Canada, rather than exporting, such extras as freight charges, and customs duties can be eliminated.

**Established marketing facilities** — Ontario companies know the Canadian market, and most have nation-wide distribution facilities and sound marketing organizations. Companies gain these advantages immediately.

**Improved service** — Delivery dates and service of the manufacturer's products are accelerated, resulting in wider product acceptance.

**Earlier return on investment** — With little capital outlay, an arrangement with a capable and experienced Ontario manufacturer can lead to an earlier return in profit royalties or licensing fees.

**Commonwealth preference** — By manufacturing goods under license

in Ontario, easier access is gained to British Commonwealth markets. In most instances, products qualify for Commonwealth trade preferences.





## Assistance from the Trade and Industry Branch

The Trade and Industry Branch assists companies throughout the world in finding licensees in Ontario to make and sell their products in the Canadian market and/or export markets on a royalty or contract basis.

The branch regularly circulates to Ontario firms a bulletin, **Manufacturing Opportunities for Ontario Industries**. The bulletin provides a brief description of products available for manufacturing in Ontario. Any qualified Ontario company can obtain further information from the Trade and Industry' Branch office in Toronto on any item which presents possibilities. The Ontario company is also given the name of the licensor, and those who find a real interest in the item are asked to establish contact with the licensor directly.

Staff members of the branch establish contact with the management of Ontario companies interested in licensing to determine the specific product areas of interest and to assess their capabilities for manufacturing and selling new or additional products. Where it is desirable, items will be drawn to the attention of qualified companies if they have not responded to the bulletin.



## Paving the Roads to Profit

The Trade and Industry Branch has many continuing programs aimed at accelerating the growth and development of industry in Ontario and increasing exports. Once a company has established or expanded its manufacturing facilities in Ontario, these same programs will work for it.

**Sales Missions:** The Trade and Industry Branch organizes sales missions to all parts of the world. For interested management, the branch pays the air fare and arranges appointments with prospects in other countries. Each mission consists of eight to 10 senior businessmen of non-competitive companies, led by an Ontario government marketing expert. The missions usually last from one to three weeks. Tapping markets all over the world, these missions have already netted millions of dollars in export sales for Ontario manufacturers.

**International Fairs:** The branch also helps companies sell products in new foreign markets by exhibiting at international trade fairs.

**World-Wide Buyers:** Buyers from the world's leading firms are brought to Ontario and introduced to Ontario-based companies interested in exporting and in establishing sales agents abroad.

**Financial Aid:** The Ontario Development Corporation provides specialized advisory help and financial aid to qualifying companies based in Ontario.



# ONTARIO MILESTONES

Fifty per cent of Canadian manufactured goods are produced in Ontario.

Forty per cent of Canada's gross national product originates in Ontario.

Ontario's gross provincial product exceeded \$22,800,000,000 in 1966.

A Canadian-American market of 100,000,000 people live within a radius of 500 miles of Toronto, the provincial capital.

The world's greatest inland waterway borders Ontario.

Ontario's mines account for more than one-quarter of Canada's national production.

Ontario produces 41 per cent of the nation's metals; 77 per cent of the uranium, 73 per cent of the cobalt, 73 per cent of the nickel, 54 per cent of the gold.

Ontario's steel production represents more than 80 per cent of Canada's total output.

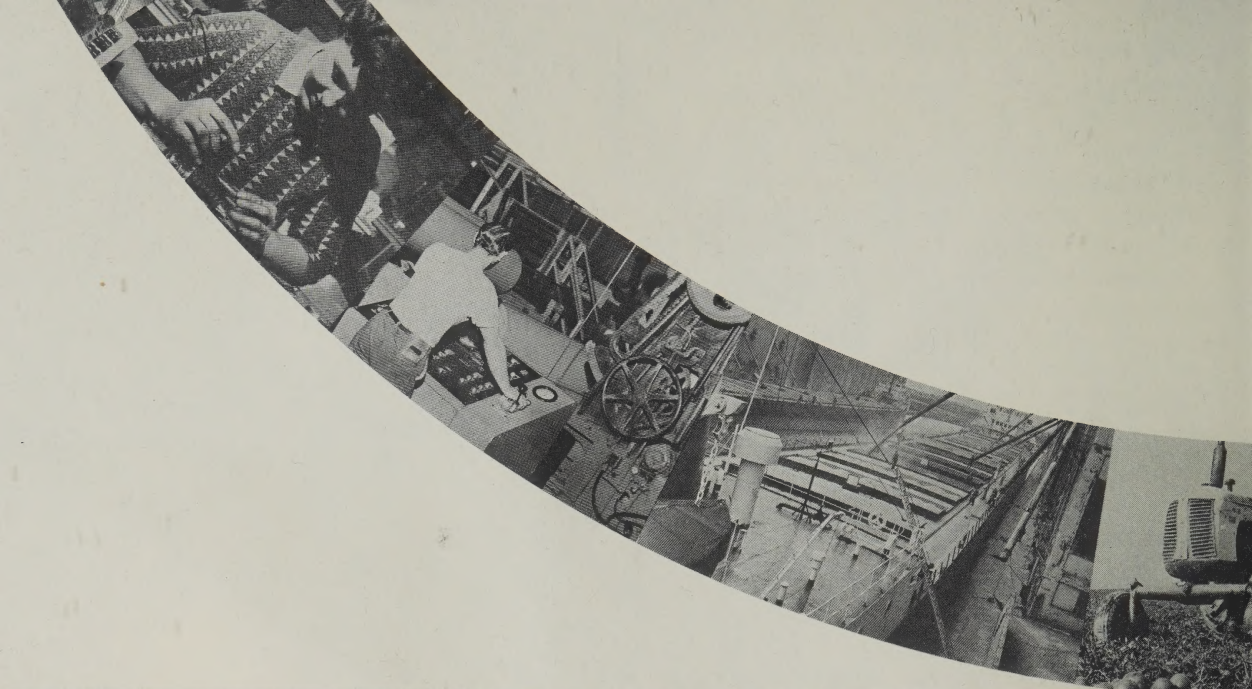
Ontario's forests provide one-third of Canada's huge pulp and paper production.

Ontario's lakes and rivers are the basis of abundant low-cost energy.

Ontario is Canada's first-ranking province in agriculture, with farm cash receipts exceeding \$1,000,000,000 annually.











# ROADS TO PROFIT BEGIN IN THE PROVINCE OF ONTARIO

Part of the constant two-way flow of goods between Canada and United States, Ontario made farm equipment is shipped across the river border from Windsor (foreground) to Detroit.







# JOINT VENTURES · JOINT VENTURES · JOINT VENTURES MANUFACTURING ARRANGEMENTS · MANUFACTURING ARRANGEMENTS BRANCH PLANTS · BRANCH PLANTS · BRANCH PLANTS

## DEPARTMENT OF ECONOMICS AND DEVELOPMENT

Hon. Stanley J. Randall, Minister  
Stuart W. Clarkson, Deputy Minister

### TRADE AND INDUSTRY BRANCH

Director: Peter A. York, P.Eng.  
Deputy Director: Donald E. Holland  
950 Yonge St., Toronto 5, Ontario  
Tel. 365-4226

#### Branch Offices:

##### NEW YORK

Room 1302  
680 Fifth Avenue  
New York, N.Y. 10019  
Phone 247-2744

##### CHICAGO

11 East Adams Street  
Chicago, Illinois 60603  
Phone 922-2170

##### LONDON

Ontario House  
13 Charles II Street  
London S.W.1, England  
Phone 01-930-6404

##### DUSSELDORF

11 Flingerstrasse  
Dusseldorf, West Germany  
Phone 8-1354

##### MILAN

9th Floor  
25/A F. Filzi Street  
Milan, Italy  
Phone 661-483